

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 965/Coch/2022
Assessment Year: 2017-18**

Narayanan Dudhachan Appellant
Vatheriparambil Veedu
Cherai P.O., Ernakulam 683514
[PAN: AWEPD4773F]

vs.

The Income Tax Officer Respondent
Non-corporate Ward- 2(4) & TPS, Kochi

Appellant by: Ms. Krishna K., Advocate
Respondent by: Smt. Leena Lal, Sr. D.R.

Date of Hearing: 04.02.2025
Date of Pronouncement: 21.02.2025

ORDER

This appeal filed by the assessee is directed against the order of the National Faceless Appeal Centre (NFAC), Delhi [CIT(A)] dated 21.09.2022 for Assessment Year (AY) 2017-18.

2. Brief facts of the case are that the appellant is an individual. The return of income for AY 2017-18 was filed on 09.02.2018 declaring income of Rs. 3,84,240/-. Against the said return of income, the assessment was completed by the Income Tax Officer, Non-corporate Wred 2(4), Kochi (hereinafter called "the AO") vide order dated 18.10.2019 passed u/s. 143(3) of the Income Tax Act, 1961 (the Act) at a

total income of Rs. 21,76,240/- . While doing so the AO made addition of Rs. 17,92,000/- being the amount of cash deposited in specified bank notes during demonetisation period in the following bank accounts treating it as unexplained money of the assessee: -

Sr. No.	Name of Bank	Account Number	Total cash deposit from 9/11/2016 to 31/12/2016
1	SBI, Cherai Branch	10548005105	Rs. 7,00,000/-
2	SBT, North Paravur	58068884499	Rs. 5,42,000/-
3	Federal Bank, North Paravur	11250100153038	Rs. 5,50,000/-
		TOTAL	Rs. 17,92,000/-

When the appellant was called upon to explain the source for cash deposit it was submitted that the appellant and his wife are government employees drawing monthly pension of Rs. 35,000/- to 40,000/-. They were in the habit of keeping the pension amount as liquid cash for the sake of convenience. Their cash so accumulated was Rs. 17,92,000/-. The AO disbelieved the explanation tendered by the appellant treating the entire cash deposits as unexplained income and accordingly brought to tax.

3. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order held that wife and husband both together could have made a saving of Rs. 7,26,000/- and accordingly treated a sum of Rs. 7,20,000/- as explained and the balance addition of Rs. 10,66,000/- was confirmed.

4. Being aggrieved, the appellant is in appeal before the Tribunal in the present appeal.

5. It is submitted that the CIT(A) have erred in ignoring the confirmation letters of daughters. It is further submitted that the entire cash deposits in the bank accounts were utilised for the purpose of making fixed deposit, which remains as fixed deposit even till today.

6. On the other hand, the learned Sr. DR submits the order of the CIT(A) is a speaking order and after discussing the facts of the case partly allowed the appeal and no interference in the impugned order is called for.

7. I heard the rival contentions of both the parties and perused the material available on record. The solitary issue in the present appeal is whether the CIT(A) is justified in confirming the addition of Rs. 10,66,000/- as unexplained money of the appellant. The undisputed facts of the case are that the appellant made a cash deposit of Rs. 17,92,000/- during demonetisation period. When the appellant was called upon to explain the source for cash deposits, it was submitted that the cash deposits were made out of the pension amount drawn for a period of 3 years of both the appellant and wife. It is further submitted that the pension of husband and wife is only ranging from Rs. 30,000/- to Rs. 35,000/- per month. The fact that the appellant after making cash deposits in the bank account and immediately utilised the cash deposits for the purpose of making fixed deposit. It is not explained as to how the appellant had accumulated so much cash at home when he was in the habit of making fixed deposit. The CIT(A) has rightly given partial relief

by confirming Rs. 10,66,000/-. The order passed by the CIT(A) requires no interference by this Tribunal. The additional evidence filed before us is not admitted as the appellant had not made out a case for admission of the additional evidence as it is an afterthought and no explanation was given for cash deposits.

8. In the result, the appeal filed by the assessee stands dismissed.
9. Order pronounced in the open court on 21st February, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 21st February, 2025

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar
ITAT, Cochin